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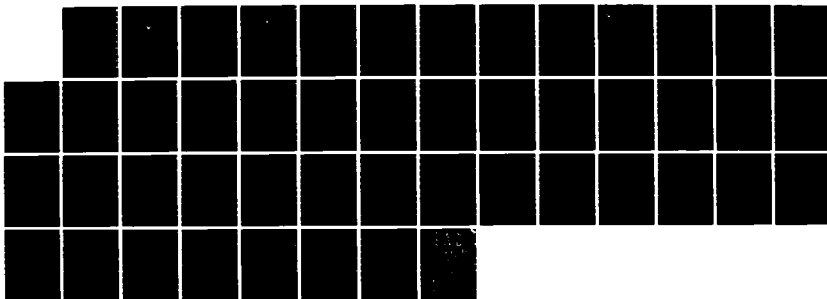
IS IT TIME TO REORGANIZE BASE LEVEL ACCOUNTING AND
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AIR COMMAND AND STAFF COLLEGE

STUDENT REPORT

IS IT TIME TO REORGANIZE BASE
LEVEL ACCOUNTING AND FINANCE?

MAJOR DONNA M. TAYLOR 86-2495

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REPORT NUMBER 86-2495

TITLE IS IT TIME TO REORGANIZE BASE LEVEL ACCOUNTING
AND FINANCE?

AUTHOR(S) MAJOR DONNA M. TAYLOR, USAF

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Submitted to the faculty in partial fulfillment of
requirements for graduation.

**AIR COMMAND AND STAFF COLLEGE
AIR UNIVERSITY
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<p>The accounting and finance network was 1100 manpower spaces short of requirements on 1 October 1984. New standards may further reduce funded authorizations by up to twenty-five percent. At the same time, missions are increasing and some additional spaces are forfeited for automation hardware. This study addresses the current accounting and finance organization, some increased mission taskings, and automation efforts. The study concludes that accounting and finance needs to operate more efficiently and some efficiency can be achieved by reorganizing along process lines.</p> <p><i>Donna M. Taylor, Major, USAF</i></p>					
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PREFACE

Comptroller emphasis on strategic, long range planning began about 1980. Project AC 90 provided a new look at current operations and encouraged innovation. One review area included in the initial AC 90 concept was organizational structure. This study addresses base level accounting and finance structure.

Several people have assisted in the preparation of this study. Lieutenant Colonel Daigler, Chief of the Comptroller Plans Group and project sponsor, gave valuable insight, advice, and guidance throughout the process. His review, and coordination with other Air Staff elements, insured a coherent, feasible approach. Colonel Tracy, and other Comptroller Information Management Office (CIMO) staff, provided a copy of the Phase IV functional review and the Comptroller Information Management Annual Report (CIMAR) as well as guidance and advice. Lieutenant Colonel Bennett, and the Comptroller Office of the Future Project Management Office staff, added insight, information, and ideas. Lieutenant Colonel Marsh, Strategic Air Command Director of Comptroller Plans and Requirements, discussed the SAC reorganization initiative and rationale. Major Ray, Air Command and Staff College faculty and project advisor, gave objective guidance on study preparation, documentation, and administration. Finally, Major George Taylor, Air University Director of Accounting and Finance, assisted with advice on current operations and projected improvements. He also provided access to point papers from the 1985 Air Force Accounting and Finance Worldwide Conference and documentation on internal controls.

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ABOUT THE AUTHOR

Major Donna M. Taylor is a career comptroller officer, qualified in several comptroller disciplines. She entered the Air Force in 1974 through the Officer Training School at Lackland Air Force Base, Texas.

Major Taylor's first assignment was deputy accounting and finance officer at Ellington Air Force Base, Texas, where she served as chief of the accounts control area, and project officer for implementation of the base Remote Job Entry Terminal (RJET) system. In 1975, she was assigned as deputy accounting and finance officer at Lowry Air Force Base, Colorado. She next served as budget officer at Luke Air Force Base, Arizona and Osan Air Base Korea. She was selected Pacific Air Forces Fiscal Year 1980 Budget Officer of the Year for her performance at Osan Air Base.

Major Taylor became a Headquarters, Pacific Air Forces budget analyst in 1980. She was responsible for monitoring Korean base financing, including the beddown of new weapon systems at Kunsan Air Base and Suwon Air Base. In 1981, she assumed branch chief duties and in 1982 she became the Budget Management Division Chief at HQ PACAF.

Major Taylor later became a comptroller plans officer when she assumed the duties of Director, Comptroller Plans and Programs, Headquarters, Pacific Air Forces. She was selected the PACAF Plans and Programs Officer of the Year for Fiscal Year 1984.

Major Taylor's educational achievements include a Bachelor of Arts degree in accounting from Inter-American University of Puerto Rico and a Master of Arts in management from Webster College. She has also completed Squadron Officer School by correspondence and in residence and Air Command and Staff College by correspondence. Major Taylor is currently attending Air Command and Staff College in residence.

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EXECUTIVE SUMMARY

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REPORT NUMBER 86-2495

AUTHOR(S) MAJOR DONNA M. TAYLOR, USAF

TITLE IS IT TIME TO REORGANIZE BASE LEVEL ACCOUNTING AND FINANCE?

I. Purpose: To establish the need for base level accounting and finance efficiency and to propose an alternative structure based upon common processes.

II. Problem: As of 1 October 1984, the accounting and finance network was 1100 manpower spaces short of the required level. Additionally, revised manpower standards threaten to further reduce currently funded spaces by up to twenty-five percent. At the same time, missions are increasing. The Comptroller Project AC 90 also identifies organizational structure as one area of prospective change.

III. Data: Base level accounting and finance is organized into seven subject matter areas; however, some processes are accomplished in more than one area. For example, accounts receivable and accounts payable occur in at least two areas. In addition, base level taskings continue to grow as manpower shrinks. Recent mission increases stem from congressional actions, Administration emphasis, and in-house initiatives. Congress and Administration interest on cash management has increased workload by instituting complex rules and by requiring annual reports on early and late payments. In-house efforts, such as base level retiree pay service, are

CONTINUED

aimed at improving customer service. Again, the result is additional base level tasks. But in-house efforts include streamlining operations through automation. Automation efforts will improve current operations but some initiatives require manpower tradeoffs for hardware purchases. New concepts, added missions, and reduced manning make adequate training essential. Training requirements include cross-utilization within and between subject matter areas which further increase base level taskings. However, by reorganizing along process lines, some workload reduction will occur. For example, grouping processes from current subject matter areas will eliminate duplication of different accounts payable and accounts receivable systems.

IV. Conclusions: To offset manpower reductions, increasing missions, and growing training requirements, accounting and finance needs to operate more efficiently. Reorganizing to combine similar tasks is one alternative which will reduce some requirements.

V. Recommendations: The Air Force Comptroller Plans Group should pursue testing of the alternative base level structure described in Chapter Four. This structure should be tested at Mather Air Force Base, California, the Advanced Concepts Base.

Chapter One

INTRODUCTION

BACKGROUND

The Air Force Accounting and Finance (ACF) organization has frequently responded to mission changes which have significantly affected the base level offices. These changes may be due to changes in law, higher headquarters directives, or local initiatives. Two internal changes affected the military pay subject matter area (SMA). The change affecting the greatest number of military members was centralization of military pay accounts in Denver, Colorado at the Air Force Accounting and Finance Center (AFAFC). In 1974 the last major conversion of pay records to the Joint Uniform Military Pay System (JUMPS) was completed (15:17). This action reduced the workload on base level units; however, another change increased base level taskings. In 1981 a test began at eight bases to provide retiree pay service at base level (13:8). The response was so positive that the service was continued (11:20). The Directorate of Retired Pay Operations at the Air Force Accounting and Finance Center estimated 85 percent of all retirees and annuitants could be served at base level (13:8). This change allowed retirees and annuitants to ask questions and make changes to their pay at base level accounting and finance offices (13:8). This service was always provided to active duty personnel but was not previously available to retirees and annuitants through the base level accounting and finance office (13:8).

These changes point out the dynamic nature of accounting and finance; however, they were only two of many changes which were reactions to currently identified needs. Until approximately 1980 the comptroller organization had no systematic method of planning for future operations. At that time, the Comptroller of the Air Force took a step toward integrated, future oriented planning by initiating a program known as Project AC 90. This plan was the first step in developing a longrange planning process for the comptroller organization (20:1). In 1983, an AC 90 seminar at Maxwell Air Force Base, Alabama, became the point of departure for many subsequent comptroller actions (2:--). From the

beginning, plans included review of the organization structure (20:8). The 1984 Comptroller of the Air Force Long Range Objectives Plan and Strategies, Years 1984-2000, projected the accounting and finance organization in the following manner: "Subject matter alignment will disappear as processes become functionally aligned and/or merge into a total financial support function" (19:5). This study addresses that projection.

SIGNIFICANCE

Since 1980 the accounting and finance area has incorporated many changes. Some changes were accelerated by in-house initiatives; others were due to outside influences.

Outside influences include additional workload requirements stemming from congressional actions and administration emphasis. Internal changes are from increased taskings and efforts to improve operations. For example, automation is key to current and planned day-to-day operations. In fact, AFAFC established the Accounting and Finance Office of the Future (AFOOF) project management office to increase automation efforts (28:1).

The net result is increased taskings without enough people. Between 1970 and 1980, manpower authorizations in accounting and finance were reduced by 24 percent (9:25). As of 1 October 1984, the Air Force Accounting and Finance network was over 1100 manpower spaces short of standard requirements (12:5). In addition, application of proposed, new manpower standards will probably further decrease manning. In 1985 proposed standards were applied at 19 bases (31:2). Measurements indicated "current unfunded requirements and approximately 25 percent of funded authorizations will disappear--but work will continue!" (31:2).

ASSUMPTIONS AND LIMITATIONS

Several assumptions and limitations impact this study. Organizational limitations serve to narrow the subject. The level and scope is defined, and aggregate information is considered. Typical structures are examined and there is no attempt to provide cost data.

This study is limited to base level accounting and finance. The author makes no attempt to weigh the impact of recommendations upon the MAJCOM accounting and finance office or upon the AFAFC. Rather, the study assumes the support structure of higher headquarters can and should meet the

needs of the base level functions. Likewise, the scope of this study does not include other comptroller branches. Any proposed reorganization must consider the needs and inputs of those branches, but they have not been included in this study.

The manner in which information is weighed further limits this study. The effect on the entire network is considered rather than an individual base effect. For example, worldwide manning shortages are discussed instead of the shortage which would apply to each base. The purpose is to focus on the aggregate since individual circumstances differ.

This study also deals with the typical accounting and finance structure as described in Chapter Two. Unique functions, such as the aerospace fuels subject matter area at Kelly Air Force Base, Texas, should be examined individually by the affected MAJCOM prior to implementing any change.

Finally, this study does not assess the cost of recommendations. Such costs should be minimal and should be assessed prior to implementing recommendations. A thorough test should assist in costing efforts prior to implementation.

PREVIOUS STUDIES

The author examined several previous studies and MAJCOM suggestions during the course of this study. In 1977 Major Ronald Flanigan proposed options to reduce the cost of comptroller operations through manpower reductions (21:--). Although further manpower reductions do not appear feasible, his report was reviewed. Three idea papers submitted to the Professional Military Comptroller School since 1982 were also consulted. Major Wayne Price's 1982 paper (23:--) and Lieutenant Colonel Carlton Russell's 1984 paper (24:--) were referenced in Major Donald Pflueger's 1985 paper. Major Pflueger proposed a test of a revised organizational structure (22:--). Each of these papers addressed the entire comptroller functional area rather than focusing on accounting and finance. Major Pflueger's paper provided the impetus for a Headquarters, Strategic Air Command (SAC) Comptroller Plans and Requirements (ACX) initiative to conduct a three year test of a revised comptroller organization at SAC bases. Lieutenant Colonel Marsh, SAC Director of ACX, provided the SAC proposed organizational chart as well as insight and ideas on the SAC initiative (8:--).

Finally, in 1985 the AFAFC Directorate of Network Operations requested reorganization ideas from each MAJCOM. Those proposals, along with the other studies and papers mentioned, form the basis of this analysis (29:Atchs 1-7).

OBJECTIVES

This study is based on two major objectives. These objectives are to determine whether accounting and finance needs to improve base level efficiency and to develop an alternative structure which will improve efficiency.

The first objective of this study is to determine whether a reorganization at base level accounting and finance will improve efficiency. This objective will be addressed by discussing the current, typical base level organizational structure and the processes performed at base level. Then this study will examine recent mission changes which were not accompanied by manpower increases as well as current and planned automation efforts and training initiatives.

If the evidence shows more efficiency is needed, a second objective is to develop a tentative organization that meets current and foreseeable needs. This alternative could be tested at Mather Air Force Base, California, which has been designated the test location for advanced concepts (Advanced Concepts Base).

Chapter Two

CURRENT OPERATIONS

INTRODUCTION

This chapter analyzes current accounting and finance operations. It explains the typical Air Force Accounting and Finance organization and describes the functions of each subject matter area. Next, it addresses the processes performed in each area and highlights SMA similarities.

STRUCTURE

An analysis of the organization should begin with a description of the current structure. Air Force Regulations 177-101 (16:23) and 26-2 (17:Atch 2 Figure A2-1) show the typical base level organization.

Table One is a compilation of the typical organization structures depicted in those two regulations. However, Table One omits unique functions such as the Lackland Entry Airmen Pay System (LEAPS) which occurs only at Lackland Air Force Base, Texas (16:23; 17:Atch 2 Figure A2-1).

A typical base accounting and finance office consists of seven subject matter areas: accounts control, military pay, civilian pay, travel, commercial services, materiel, and paying and collecting. These areas and other management functions are under the control of the accounting and finance officer (AFO). While functions of each SMA are different, there are also some similarities (16:34).

SMA FUNCTIONS

Common Functions

Several functions common to all subject matter areas are described in AFR 177-101 (16:34). Each SMA must recruit and train personnel as well as establish appropriate work

<table><tr><td colspan="2">ACCOUNTING AND FINANCE OFFICER DEPUTY</td></tr><tr><td colspan="2">Management assistance Procedures Administration Quality assurance</td></tr></table>		ACCOUNTING AND FINANCE OFFICER DEPUTY		Management assistance Procedures Administration Quality assurance		<table><tr><td colspan="2">COMMERCIAL SERVICES</td></tr><tr><td colspan="2">Commercial (other than materiel) transactions Monitor delinquent accounts receivable</td></tr></table>	COMMERCIAL SERVICES		Commercial (other than materiel) transactions Monitor delinquent accounts receivable		<table><tr><td colspan="2">PAYING AND COLLECTING</td></tr><tr><td colspan="2">Cashier operations Cash accountability Storage/safekeeping Cash/check payments Collections Issue bonds</td></tr></table>	PAYING AND COLLECTING		Cashier operations Cash accountability Storage/safekeeping Cash/check payments Collections Issue bonds		<table><tr><td colspan="2">MILITARY PAY</td></tr><tr><td colspan="2">Joint Uniform Military Pay System (JUMPS)</td></tr></table>	MILITARY PAY		Joint Uniform Military Pay System (JUMPS)	
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<table><tr><td colspan="2">MATERIEL</td></tr><tr><td colspan="2">Materiel payments/reimbursement for supplies and equipment Financial inventory accounting Stock/industrial funds</td></tr></table>		MATERIEL		Materiel payments/reimbursement for supplies and equipment Financial inventory accounting Stock/industrial funds		<table><tr><td colspan="2">ACCOUNTS CONTROL AREA</td></tr><tr><td colspan="2">Fund control/reports Merged Accountability Fund Reporting (MAFR) General ledger Vehicle Integrated Management System (VIMS) Base Engineer Automated Management System (BEAMS) Reconcile, control, liaison with all SMAs</td></tr></table>	ACCOUNTS CONTROL AREA		Fund control/reports Merged Accountability Fund Reporting (MAFR) General ledger Vehicle Integrated Management System (VIMS) Base Engineer Automated Management System (BEAMS) Reconcile, control, liaison with all SMAs		<table><tr><td colspan="2">CIVILIAN PAY</td></tr><tr><td colspan="2">Accounts maintenance Accounting Civilian pay reports Payroll processing Tax reports</td></tr></table>	CIVILIAN PAY		Accounts maintenance Accounting Civilian pay reports Payroll processing Tax reports		<table><tr><td colspan="2">TRAVEL</td></tr><tr><td colspan="2">Accounting Pay computations</td></tr></table>	TRAVEL		Accounting Pay computations	
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TABLE ONE TYPICAL BASE ACCOUNTING AND FINANCE WORKLOAD AND SMA FUNCTIONS/RELATIONSHIPS (16:23; 17:Atch 2 Figure A2-1)

assignments (16:34). Additionally, each area must review and control SMA activities (16:34). For example, accounting and finance transactions must be properly recorded in accordance with statutory and regulatory requirements (16:34). Documents and reports must also be reviewed for correctness (16:34). Each area also identifies report requirements to the accounts control area (16:34). Common external interfaces include the preparation, review, and update of host-tenant and cross-service agreements (16:34). Finally, internal and external controls must be supported. These include self inspections; the accounting and finance quality assurance program; internal control reviews; audits and inspections; and the prevention of fraud, waste, and abuse (16:34). Although some functions are common, each SMA has specific areas of responsibility.

Accounts Control

The accounts control area serves as the "hub" of accounting and finance. This area maintains summary accounts and coordinates transaction processing of the other SMAs (16:34). Accounts control personnel serve as technical authorities on financial systems and insure professional accounting principles are applied (16:34). The chief of accounts control generally participates in professional and technical decisions (16:34).

A typical accounts control area is responsible for four general areas. These areas are fund control and reporting, general ledger, expense accounting, and merged accountability fund reporting (MAFR) (16:34). In the area of fund control and reporting, accounts control establishes and maintains accounting controls and reconciles records (16:34). They prepare, review, and transmit most financial reports except stock fund trial balances (16:34). Accounts control is also responsible for fund control (16:34). At base level they receive funding documents from higher headquarters and monitor and control fund availability (16:34). In the general ledger area, accounts control establishes and maintains general ledger accounts (16:34). They post other SMA transactions in general ledgers. They also insure transactions are accurate and checks and balances are operating (16:34). Further, they receive operating budgets and prepare project and SMA funding documents which serve as the basis for SMA certification of fund availability (16:34). In the expense accounting area, accounts control insures budget and accounting codes are valid and SMA expense distributions and journal vouchers balance (16:34). Finally, in the MAFR area, accounts control monitors MAFR ledgers and insures all MAFR transactions balance (16:34). Furthermore, they prepare MAFR reports and control the interfund billing system (16:34).

Military Pay

The military pay SMA is responsible for administering the pay systems which provide prompt and accurate payments to active duty, Air Force Reserve Officer Training Corps (AFROTC), and other DOD members (16:35). Military pay also updates appropriate financial records (16:35). Specific functions fall under the Joint Uniform Military Pay System (JUMPS) (16:35). These functions include assisting members in preparing SURE-PAY documents, allotment processing, in and out processing, and leave accounting (16:35). They must also prepare inputs or corrections to master military pay accounts (MMPAs) (16:35). Military pay personnel must be prepared to answer questions on military pay and leave (16:35). They must be able to compute partial, casual, and advance payments; to prepare and to input MAFR transactions, as appropriate (16:35). Furthermore, military pay personnel must know processing schedules and appropriate transaction priorities for U.S. and allied accounts (16:35).

Civilian Pay

The civilian pay SMA manages the pay system which provides prompt and accurate pay to civilian personnel (16:35). They also update appropriate accounting records (16:35). The accounts maintenance functions are diverse (16:35). This SMA establishes and maintains civilian pay accounts and such related records as pay, leave, and retirement records (16:35). They process both temporary and permanent changes and they prepare payrolls as well as many other documents (16:35). Other documents include union dues, charitable contributions, taxes, savings, insurance contributions, and savings bonds (16:35). They maintain accounting records such as general ledger, expense and cost, and appropriation accounts (16:35). Responsibilities include posting transactions which affect cost accounting for other functions such as the civil engineer and transportation (16:35). They must also prepare and submit reports and records for social security, taxes, and retirement withholding (16:35). Finally, they maintain processing schedules for payrolls and other reports (16:35).

Travel

The travel SMA is responsible for administering the system for TDY, PCS and related accruals for military members and civilian employees (16:35). The system includes Air National Guard members, AFROTC members, others on training duty, and other DOD members and employees (16:36). This responsibility falls into the general areas of accounting, disbursing, and entitlements (16:36). Accounting includes entering collection and disbursement data in appropriate

accounting records (16:36). Entries are based on transactions for TDY orders, PCS orders, transportation documents, vicinity travel without orders, etc (16:36). The travel SMA is responsible for travel associated accounting and payments to military members and civilian employees (16:36). This includes all members previously mentioned. Personnel assigned to travel interpret laws, regulations, Comptroller General Decisions, and higher headquarters directives to determine travel entitlements (16:36). Funds are controlled in the general accounting system and appropriate collections and payments are made (16:36). Travel computations include TDY and PCS travel, vicinity travel, dislocation allowance, and trailer allowances (16:36). Internal controls insure properly recorded accounting and disbursement transactions (16:36). Finally, travel personnel counsel travelers and units on entitlements and compute travel generated leave charges (16:36).

Commercial Services

The commercial services SMA handles transactions relating to vendor services (16:36). They also maintain accounts receivable records for all SMAs when normal collection cannot be made (16:36). This area deals with the general ledger, expense and fund accounts, advance and progress payments, accounts receivable, and accounts payable (16:36). Personnel in commercial services administer payable accounts to contractors, local purchase vendors, and other government agencies. They also control receivable accounts from individuals for services such as telephone billings (16:36). Commercial services, in conjunction with the budget branch, also reviews reimbursements. This review includes analysis of each host-tenant support agreement, cross-service agreement, and memorandum of understanding (16:36).

Materiel

The materiel SMA performs many functions. This area is involved in purchases and sales of materiel (16:37). Personnel assigned to materiel operate and maintain materiel financial accounting and reporting systems (16:37). They keep separate general ledgers for each division of the Air Force Stock Fund (AFSF) and prepare monthly financial statements and reports for each division (16:37). Additionally, they monitor the portion of the operations and maintenance budget which is programmed to purchase materiel (16:38). They also manage the Appropriation Financial Inventory Accounting System (AFIAS), Air Force Equipment Management System (AFEMS), Commissary Trust Revolving Fund (CTRF) accounting system and AVFUEL Management Accounting System (AMAS) (16:38). Materiel bills and collects for all materiel purchased from commercial vendors, Defense Logistics

Agency (DLA), General Services Administration (GSA), and other military departments (16:38). Furthermore, they are responsible for accounting interfaces with various base systems such as the Standard Base Supply System (SBSS) and the Medical Materiel Accounting System (MMAS) (16:38).

Paying and Collecting

The paying and collecting SMA is responsible for prompt payment and collection of all accounts as well as accounting for cash and negotiable instruments (16:39). The cashier function pays and receives cash and checks (16:39). The accountability and reports function reconciles transactions and issues accountability reports (16:39). Accountability records include cash accountability and transaction summary; receipt, reimbursements, and net disbursements summary; foreign currency control; limited depository account; foreign currency exchange; overages and losses of funds; check control; check issue control; returned and undelivered Treasury checks; bond share control; voucher control; agents' cash blotter; and statement of agent officer's account (16:39). The paying and collecting area must also insure the facility physically safeguards public funds, negotiable instruments, blank checks, savings bonds, and signature plates (16:39). Proper security measures and adequate internal controls are essential (16:39).

PROCESSES

Introduction

Although this study has briefly reviewed the functions of each SMA, the actual processes which accomplish the mission must also be considered. Until October 1983 there was no single data base which described and correlated base-level accounting and finance processes. The accounting and finance summary report, "Results of the Phase IV Functional Analysis," filled that void (33:1-1). Although the initial purpose of this report was to provide information required by Congress, the data compiled provided a unique view of accounting and finance operations (33:--). Operations fall into four functional groupings whose core processes can be related to current SMAs (33:2-1). The following paragraphs describe those groupings; Figure One shows the relationships and Table Two shows the four functional groupings with core processes.

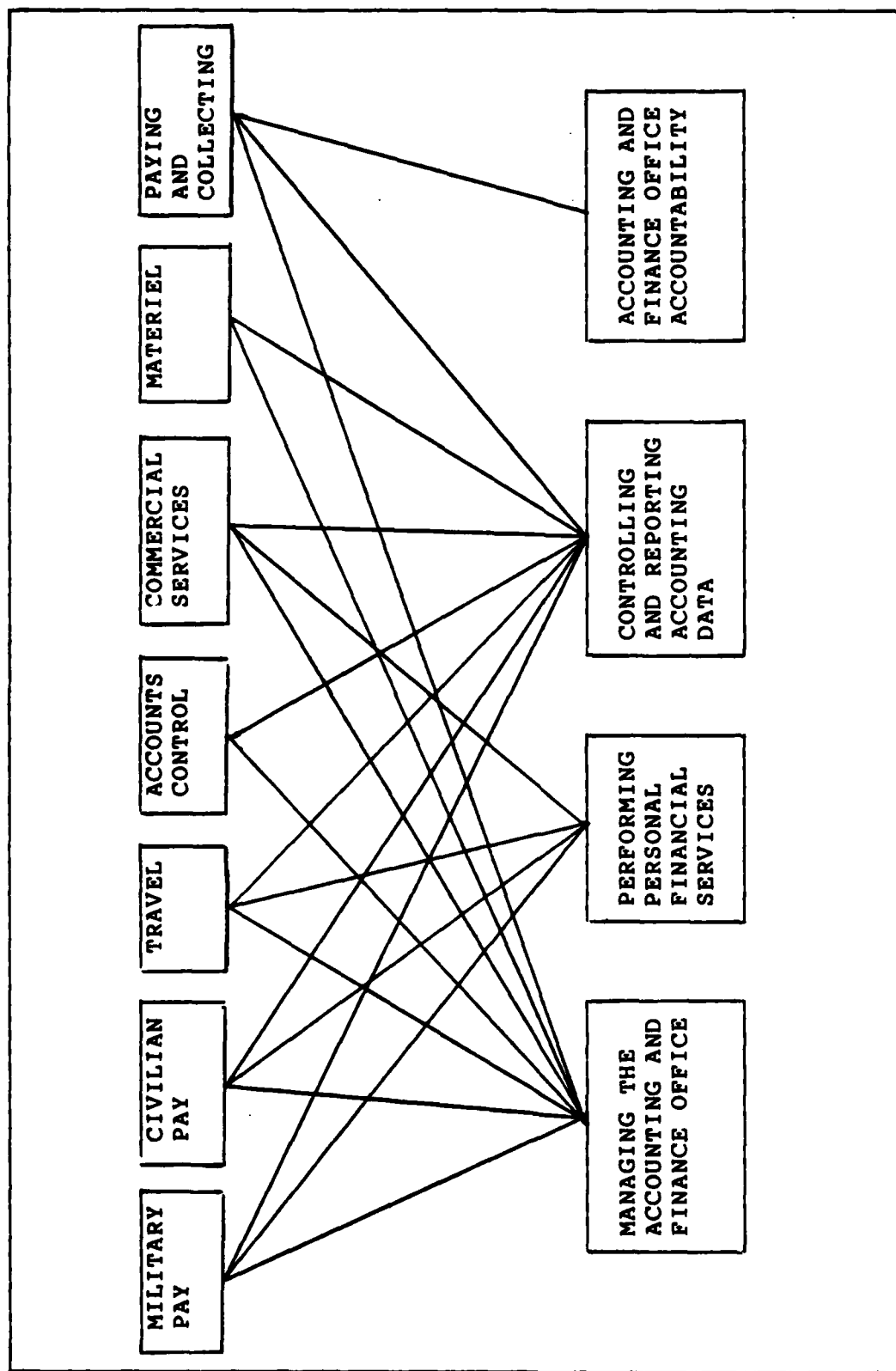


FIGURE ONE CURRENT SMA AND FUNCTIONAL ANALYSIS RELATIONSHIPS
(33:Figure 2-2)

SUBJECT MATTER AREAS

MANAGING THE
ACCOUNTING AND
FINANCE OFFICE

ORGANIZE AND STAFF
PLAN ACCOUNTING AND FINANCE FUNCTIONS
COORDINATE ACCOUNTING AND FINANCE FUNCTIONS
CONTROL ACCOUNTING AND FINANCE FUNCTIONS
PROVIDE ADMINISTRATIVE SUPPORT
PROVIDE FINANCIAL ADVICE

CONTROLLING
AND REPORTING
ACCOUNTING DATA

PERFORM FUND CONTROL AND REPORTING
MAINTAIN ACCOUNTS PAYABLE
MAINTAIN ACCOUNTS RECEIVABLE
CONTROL AND REPORT COMMERCIAL SERVICES/
MATERIEL ACCOUNTS
CONTROL AND REPORT CIVILIAN PAY DATA
PROVIDE TRAVEL ACCOUNTING
CONTROL AND REPORT MAINTENANCE COST
SYSTEM ACCOUNTING DATA
JOB ORDER COST ACCOUNTING
PERFORM MERGED ACCOUNTABILITY FUND REPORTING
PERFORM GENERAL LEDGER ACCOUNTING

PERFORMING
PERSONAL
FINANCIAL SERVICES

PROVIDE MILITARY PAY CUSTOMER SERVICE
MAINTAIN CIVILIAN PAY ACCOUNTS
PROVIDE TRAVEL CUSTOMER SERVICE
PROCESS MILITARY PAY ENTITLEMENTS
MAKE DEPENDENCY DETERMINATIONS
PROVIDE LEAVE ACCOUNTING
PROCESS MILITARY PAY VOUCHERS
PROCESS MILITARY PAY INDEBTEDNESS
PROCESS CIVILIAN PAYROLL
PROVIDE PAY AND LEAVE ADVICE
PROCESS TRAVEL VOUCHER

ACCOUNTING AND
FINANCE OFFICE
ACCOUNTABILITY

SAFEGUARD/CONTROL ASSETS
PERFORM CASHIER OPERATIONS
PREPARE CHECKS AND BONDS
PERFORM PAYING AND COLLECTING
ACCOUNTABILITY

TABLE TWO FUNCTIONAL GROUPINGS AND CORE PROCESSES
(33:Figure 2-2)

Managing the Accounting and Finance Office

Each SMA is involved in the function of managing the accounting and finance office. These processes relate to the common functions described earlier in this chapter. In addition, they include providing financial advice relating to the specific area of expertise of each SMA.

Performing Personal Financial Services

The next major grouping is performing personal financial services. The eleven processes shown in Table Two also cross SMA lines (33:Figure 2-2). However, these processes relate almost exclusively to the finance functions of military pay, civilian pay, and travel. The exception is the commercial services SMA which provides personal service for commercial accounts such as telephone and trailer space billings.

Controlling and Reporting Accounting Data

The third area of controlling and reporting accounting data also occurs in all SMAs. However, some of the processes identified are primarily in the accounting SMAs of commercial services, materiel, and accounts control. For example, accounts receivable, accounts payable, and job order cost accounting are primarily commercial services and materiel functions. Also, most reports are generated in accounts control and materiel. Table Two shows the major processes in this function (33:Figure 2-2).

AFO Accountability

The paying and collecting SMA is responsible for the accounting and finance office accountability function (33:Figure 2-2). This function is separate to insure proper controls over cash and negotiable instruments.

The variety and degree of controls in this area show it must operate separately. Controls are implemented within the SMA and between paying and collecting and other SMAs. For example, the internal review guides published by AFAFC in 1982 included 232 questions in the paying and collecting area (27:Atch 3). These questions included such categories as storing and safeguarding public funds, cashier operations, voucher processing, check writing operations, and savings bond operations. Controls within the SMA include insuring the cashier's cage is a separate work area and separate advances are made to relief cashiers (27:Atch 3). Controls between paying and collecting and other SMAs include voucher preparation and voucher numbering by SMAs other than paying and collecting (27:Atch 3).

SUMMARY

This chapter briefly described the current functions of accounting and finance SMAs as prescribed by Air Force Regulation 177-101 (16:Chap 2). Some functions are common to all SMAs, and some are unique to one area. But there are like processes performed in various SMAs which could be consolidated. An organizational structure which combines redundant processes and exploits automation efforts will improve efficiency. Increasing workloads combined with decreasing manpower make efficiency essential.

Chapter Three

FACTORS AFFECTING OPERATIONS

INTRODUCTION

There are many factors which affect the operations of a base accounting and finance office. This chapter will discuss the three major areas of mission changes, automation efforts, and training requirements. Congressional actions, Reagan Administration interest, and in-house initiatives have caused recent mission changes. These changes generally do not include additional manpower spaces and most outside changes increase taskings. The accounting and finance network responds to increased requirements by emphasizing automation and sometimes gives up manning for hardware. With fewer people and increasing missions, training becomes essential. Finally, the combination of additional workload and fewer people creates a changing environment.

MISSION CHANGES

Recent additive requirements were enacted by Congress, encouraged by the Reagan Administration, or developed internally. They generally increase the base level workload without adding manpower spaces. A great impact stems from Congressional actions.

Congressional Actions

In the past few years, Congress mandated more stringent control of Department of Defense purse strings. The "Federal Managers' Financial Integrity Act of 1982" (1:96 Stat. 85-88) and the "Prompt Payment Act" (1:96 Stat. 814-815) are two public laws which added requirements to the base level accounting and finance office without adding people. The "Federal Managers' Financial Integrity Act" will be discussed first.

The "Federal Managers' Financial Integrity Act" expanded and reinforced the 1981 Office of Management and Budget (OMB) circular number A-123 requirements to evaluate internal controls (14:31). The act requires an annual report to the

President and to Congress on the adequacy of internal controls (14:31). Further, the Secretary of Defense and the Secretary of the Air Force must certify the accuracy of the report (14:31).

The additional emphasis added workload for accounting and finance. In fact, accounting and finance currently spends thousands of manhours each year to insure vulnerability assessments and risk reviews are conducted to report on internal controls (10:5). Higher headquarters usually perform the vulnerability assessments and provide guidance which assists bases in determining internal controls adequacy. For example, the Air Force Vice Chief of Staff identified eight areas as the minimum required reviews for Fiscal Year 1983 (25:Atch 3). One area to be reviewed was the paying and collecting subject matter area (SMA) (25:Atch 3). Subsequent internal control guides issued by the Air Force Accounting and Finance Center included twenty seven pages on the paying and collecting area (27:Atch 3).

Accounting and finance offices must spend time and effort to review internal controls, but the workload is also increased by the documentation requirements. Reviews must be documented to withstand an audit. The general audit approach used for Fiscal Year 1983 internal control review audits gave Air Force auditors specific guidance (36:Atch 1 1-1). The following techniques were required: (a) discussions with appropriate functional activity offices; (b) examinations of correspondence to include work papers and reports; and, (c) limited testing of those discussions and examinations. This audit was aimed at documentation (36:Atch 1 1-1).

The "Federal Managers' Financial Integrity Act" added workload because an existing requirement was reinforced, but other legislation also increased taskings.

Another congressional action which increased accounting and finance workload was the "Prompt Payment Act" (1:96 Stat. 85-88). First, the workload was increased because the act is complex. It requires payment of an interest penalty on late payments to business concerns (1:96 Stat. 85). If a payment date is specified in the contract, interest is payable when a bill is not paid by the specified date (1:96 Stat. 85). However, if the due date is not specified, payment is due thirty days after receipt of a proper invoice (1:96 Stat. 85). Two exceptions are meat or meat food products and perishable agricultural commodities (1:96 Stat. 85). Payments for meat and meat food products are due within seven days after delivery (1:96 Stat. 85). Perishable agricultural commodity payments are made in accordance with provisions of the "Perishable Agricultural Commodities Act, 1930" (1:96 Stat. 85). Different rules apply for partial deliveries and

interest payments are compounded each thirty days (1:96 Stat. 85-86). The act also requires interest payments if a discount is taken improperly (1:96 Stat. 86). In this case, interest is paid only on the unpaid amount and the required payment date is the last day of the discount period (1:96 Stat. 86). Therefore, varying payment due dates coupled with interest computations have made payment processing extremely complex. In addition to the complexity, the "Prompt Payment Act" has added paperwork to the process (1:96 Stat. 85-88).

Paperwork stems from the requirement to report interest payments to Congress (1:96 Stat. 87). After the close of each fiscal year, each federal agency reports to the Director of the Office of Management and Budget (OMB) who reports to various congressional committees (1:96 Stat. 87). The reports are detailed and include the number, amounts, and frequency of interest penalty payments (1:96 Stat. 86). The reason penalties were not avoided must also be reported (1:96 Stat. 86-87). Accurate reporting requires accurate records.

The "Prompt Payment Act" is a congressional action but the Administration also contributes to increased workload in the cash management area.

Administration

The Administration emphasizes effective cash management. Late payments require interest penalties and unnecessarily reduce available funds. However, early payments also negatively affect cash management by increasing government borrowing costs. Therefore, the Secretary of Defense established goals of zero interest and zero early payments (4:19).

Administration goals increase workloads by adding complexity and reporting requirements. The goals of zero interest paid and zero early payments narrow the window in which a payment can be made (9:5). Additionally, quarterly Reform 88 reports are required by OMB. These reports include interest paid as identified in the "Prompt Payment Act" as well as the number and amounts of early payments (10:29).

Congressional and Administration emphases are not the only areas which increase requirements. In-house improvement efforts also add to base level workloads.

Air Force Improvement Initiatives

One in-house action which added requirements with no corresponding manpower increase was briefly mentioned in Chapter One. In 1981 eight bases tested the concept of base level retired pay processing (13:8). Base accounting and

finance personnel could process address, bond, and allotment changes (13:8). They could also reissue W-2s, revise tax withholdings, and answer questions (13:8). The program was so well received that currently 100 bases in the CONUS and overseas provide service to retirees and annuitants (32:Slide 3). The impact can be described in terms of transactions. In Fiscal Year 1984, 58,927 transactions were completed at base level, and in Fiscal Year 1985, the total was 65,963 (32:Slide 4).

It is clear that increased requirements increase workload for the base level accounting and finance office. Congressional actions, Administration emphasis, and in-house initiatives all increase requirements. But the accounting and finance network also actively pursues workload reductions by improving the way we do business. In the past few years, automation initiatives have significantly reduced workload.

AUTOMATION

To streamline base operations, the network has identified many automation initiatives. Some have been implemented and others are planned. Initiatives include the Comptroller Office of the Future (COOF), centralized civilian pay, and automated travel computations. Each initiative will improve efficiency, but some require manpower trade offs. The comptroller office of the future will have a major impact on operations.

Comptroller Office of the Future

The COOF initiative will vastly improve the accounting and finance operation. It began as the accounting and finance office of the future but has been expanded to include all base level comptroller areas (28:1). This program was designed to eliminate or automate labor intensive areas to help the accounting and finance office deal with growing workloads and shrinking manpower (28:1). The Sperry System 11 minicomputer has been selected as the hardware and the system will be implemented from Fiscal Year 1986 to Fiscal Year 1989 (28:1). The system uses vendor and in-house developed software to improve work methods (23:1). The vendor provides word processing, electronic spread sheets, electronic mail, and graphic capabilities (28:1). Currently developed in-house software includes commissary accounts payable, materiel accounts payable, commercial services accounts payable, integrated paying and collecting, and accounts receivable (28:1). The Sperry System 11 will also interface with activities outside the comptroller such as contracting and base supply (28:2). Furthermore, it has additional capability for future applications (28:--). These

abilities improve the base level function, but there are drawbacks. The prototype systems indicate the comptroller office of the future is saving both time and manpower (3:20). However, the savings will not be available to offset other increases. To obtain the system the accounting and finance network agreed to give up 400 manpower spaces (28:1). While the network will monitor the system to insure the projected manpower savings are achieved, the saved spaces cannot offset other, increasing missions (7:24). However, the comptroller office of the future project is not the only automation initiative underway.

Civilian Pay Modernization

The civilian pay modernization reduces workload at base level. A 1983 AFAFC study recommends a two phased approach to modernizing civilian pay (7:24). First, improve the base level system. Enhancements such as eliminating punchcards and automating several labor intensive operations reduce workload (6:23). Then, implement a new, centralized system to pay all Air Force civilians from a central site (5:24). Phase I will be complete in 1987, and Phase II implementation will begin in 1989 (34:1). But this is another initiative that improves efficiency and service without allowing a reallocation of manpower savings (34:2).

The civilian pay modernization reduces base level workload, but manpower savings cannot be used within the comptroller function (34:2). The base level manpower spaces reduced for this program total 357 (34:2).

The comptroller office of the future and the civilian pay modernization are examples of two initiatives that trade off manpower spaces to gain new, improved systems. However, the accounting and finance network is also improving base level operations with initiatives which do not require manpower trade offs.

Automated Travel Computation System

The automated travel computation system is streamlining base operations. The implementation of the flat rate per diem concept allowed accounting and finance to program a Zenith 100 microcomputer to automatically compute some travel vouchers (35:1). The system is currently operational at 75 locations (35:1). Productivity is greatly enhanced. For example, the average time to compute a temporary duty (TDY) travel voucher using the computer is four minutes (35:2). Manual computations require fourteen minutes for military vouchers and fifteen minutes for civilian vouchers (35:2). Voucher auditing averages three minutes with the computer compared to eight or nine minutes manually (35:2). It should

be noted, however, although the system is improving base level work methods, there are still imperfections (35:--).

The automated travel computation system improves the travel operation, but the travel subject matter area still requires personnel who are trained in manual computation. Some complex vouchers must still be computed manually. For example, permanent change of station vouchers are not yet automated (35:2). Furthermore, if the computer is down for an extended period, the voucher must be computed manually. Finally, all locations are not operational (35:1). Therefore, personnel may transfer from an organization with the automated system to one without the automated capability.

Mission requirements in accounting and finance continue to increase. The additive workload is seldom accompanied by additional manning. Therefore, one accounting and finance network response is automation. But the rapid change occurring as a result of workload changes and automation usually affects the ability of assigned personnel to perform identified and projected taskings. Therefore, they must be properly trained.

TRAINING

Basic training quotas for accounting and finance and budget were reduced by 23.8 percent for Fiscal Year 1986 (30:2). Although initial enlisted training requirements appear to be decreasing, this reduction is possible because retention is higher and accessions are lower (30:2). Therefore, fewer training slots should not affect the quality of accounting and finance job performance. However, other factors may affect job performance.

Additional supplemental training quotas should be required due to a dynamic cross-utilization program implemented in Fiscal Year 1985 (26:Chap 3). A draft AFAFC pamphlet instituted two mandatory cross-utilization requirements (26:Chap 3). The first requirement is an inter-SMA cross-utilization (26:Chap 3). Within limitations, first term enlistees must be permanently assigned in two SMAs in their control Air Force Specialty Code (AFSC) (26:Chap 3). A second requirement is an inter-AFSC cross-utilization (26:Chap 3). In this instance, staff sergeants who have not been assigned to an SMA outside their control AFSC will be assigned such duty before they achieve four years time in grade (26:Chap 3). Compliance with these requirements insures accounting and finance a well trained force.

Supplemental training can be used to introduce non-commissioned officers and civilians to new SMAs. However, supplemental courses were reduced by 35.2 percent for Fiscal Year 1986 (30:2). This reduction could affect base level performance by impacting the cross-utilization program and requiring more base level training (30:2).

SUMMARY

The examples cited in this chapter emphasize the fact that the accounting and finance organization is changing. Missions are increasing. Although automation reduces manpower intensive workload, the workforce remains short of required manpower levels. Therefore, rearranging the organization to group common processes may simplify training and improve efficiency.

Chapter Four

AN ALTERNATIVE

INTRODUCTION

Accounting and Finance needs to increase efficiency. Tasks are increasing and manpower is declining. Current efforts to automate will ease the workload burden. However, the network can no longer afford to train people in different SMAs to do similar work--if tasks can be combined.

This chapter describes an alternative structure designed to capitalize on automation efforts and eliminate redundancies by grouping like processes. A proposed organizational chart will be provided, then each area will be individually addressed.

ORGANIZATION

The proposed organization provided at Table Three realigns responsibilities based on common processes and current or projected automated abilities.

Finance Officer

In this area, the title should be changed for simplification. Changing the name from accounting and finance to finance focuses on the service side of accounting and finance. The obvious drawback is people who work in the accounting functions may feel slighted. However, this objection is probably not valid. First, the proposed reorganization will move functions so the basic orientation will be different. Second, in the author's experience most people call the office finance today, and they also call the accounting and finance officer (AFO) the finance officer.

The functions performed in this area need to remain at this level. For example, it is imperative that the quality assurance function is performed at the highest level. There are several reasons. First, the AFO operates as an agent of the Treasury (16:33). As such he/she has pecuniary liability for public funds. A separate quality assurance function

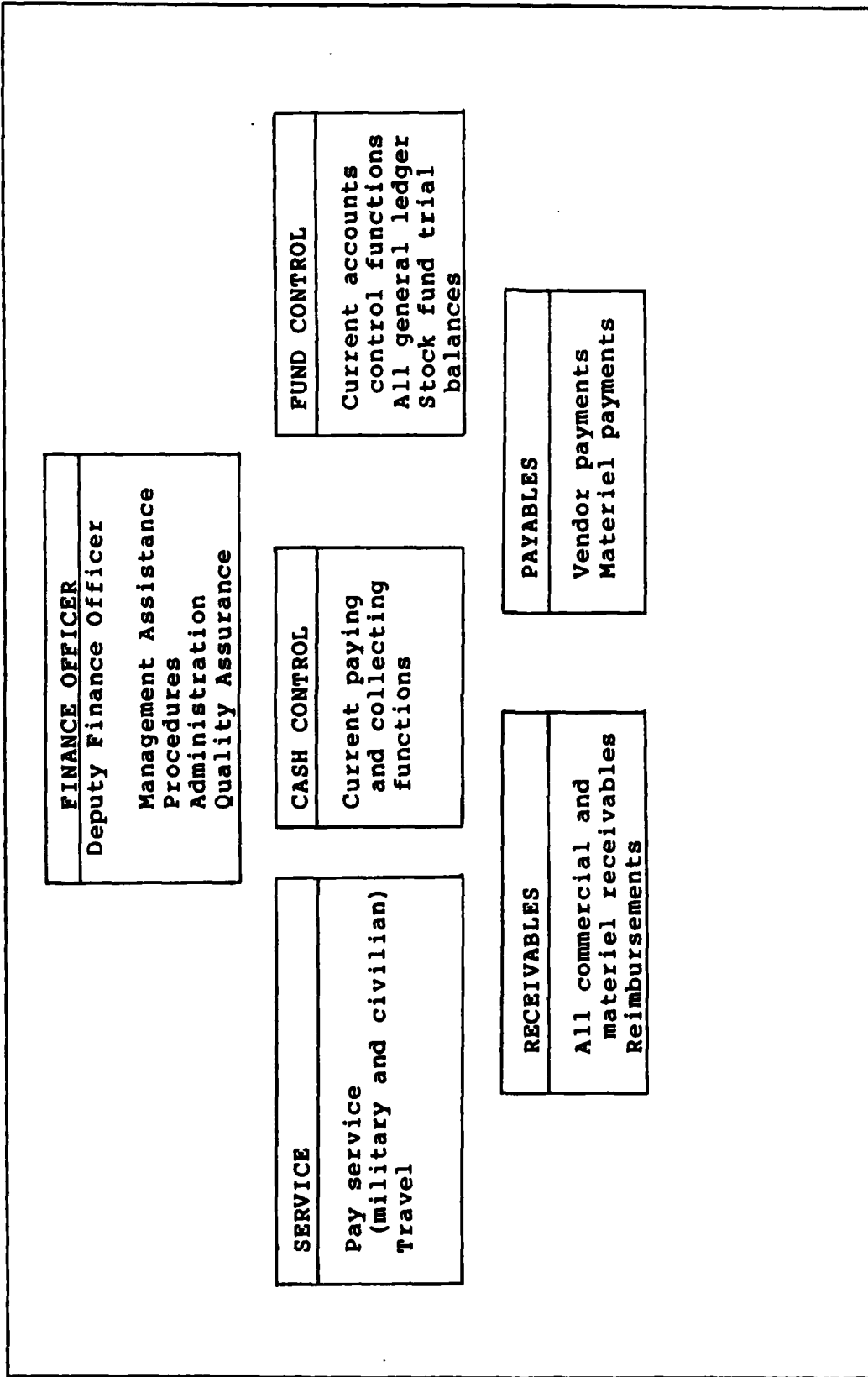


TABLE THREE ALTERNATIVE ORGANIZATIONAL STRUCTURE

insures an unbiased review of operations in each section. This area also conducts internal control reviews in accordance with higher headquarters guidance to insure the "Federal Managers' Financial Integrity Act" requirements are met. The internal control review portion could be placed outside accounting and finance. This action could keep the review apart from each section and may allow a non-parochial view. However, current procedures provide for outside reviews such as audits and MAJCOM and USAF Inspector General visits. Furthermore, the accounting and finance officer needs an internal review program to provide information on the "health and vitality" of the organization, to highlight problem areas, and to recommend corrective actions.

Cash Control

This area should also retain current functions with a simplified name. The name change includes the paying and collecting area in the reorganization but also more accurately describes the function. This area controls cash and negotiable instruments (16:39).

Current cash control functions must remain in a separate section. The Phase IV functional analysis points out that eighty percent of the paying and collecting functions deal with internal controls. The emphasis of Congress and the Administration on resource control was also highlighted in Chapter Three of this study. Therefore, even though paying and collecting functions will be automated with the comptroller office of the future initiative, the area must remain a separate entity (28:1).

Service

The alternative structure consolidates military pay, civilian pay, and travel. There are several advantages to this approach. These areas are all service oriented and perform many common processes. Combining them would allow greater backup capability and mission identification. This approach also has drawbacks. For example, each technician must know more areas over a shorter period of time and work scheduling may be more complex. However, the benefits appear to outweigh the disadvantages.

Military pay, civilian pay, and travel are all customer service oriented. Military members come to the pay area to start allotments, change tax withholding, receive advance pay, etc. (16:35). Civilian pay performs the same type of functions for civilian employees (16:35), and the current travel SMA services both military and civilian travelers (16:35-36).

These areas also perform many of the same processes. Current civilian pay responsibilities are more diverse than military pay at base level because military pay is centralized. However, there will be few differences after 1989 when civilian pay is centralized (34:2). Then, civilian pay at base level will serve as a liaison between the base and the central site. Base level will enter time and attendance data through data entry equipment, process employee initiated changes, answer pay inquiries, distribute leave and earning statements and time and attendance forms, and maintain files (34:3). Finally, travel responsibilities are somewhat different from pay, but both pay systems need data from the travel data base (33:3-6).

Another advantage to combining these functions is additional backup. A larger pool of trained personnel provides added flexibility during leaves and TDYs.

Finally, one service center provides the opportunity to increase personal identification with the base mission. A team of trained personnel could be responsible for the military pay, civilian pay, and travel pay of a particular unit. That team could then identify much more closely with the unit, and better customer service could result. For example, the team could provide pay and travel service at the unit of assignment. A flying squadron participating in an exercise could be met upon return and travel vouchers could be filed immediately. By adding an element of competition between teams, efficiency should also improve. Statistics on areas such as SURE-PAY, leave suspenses, travel voucher suspenses, and BAQ recertifications could become competitive.

There are also some disadvantages to combining military pay, civilian pay, and travel. First, to be effective each technician must learn more areas faster (26:Chap 3). While military pay, civilian pay, and travel are similar, there are differences. Each member of the service area needs the capability of performing any task. This need is offset by the fact that automation efforts, such as the automated travel computation system, are making some tasks easier (35:2). Since promotion testing covers more than one SMA, the military member should have a better understanding of areas he/she has actually worked. Also, since the career field requires the second highest minimum administrative aptitude score in the Air Force, assigned personnel should be able to rapidly learn a number of tasks (31:1).

The other major disadvantage to combining these areas is the complexity of scheduling work. Military pay and civilian pay dates are currently rigid. Military are paid on the fifteenth and the last day of the month unless those dates fall on a weekend or holiday. In that instance, payday is

the preceding duty day, usually Friday. Civilians are paid every other Friday. Occasionally the dates will overlap. If not enough people are trained, the workload could become overwhelming at this point. However, with a larger resource pool, simplified procedures, and increased automation, the problem is not insurmountable.

There are also other alternatives. For example, moving civilian payday ahead two days, from Friday to Wednesday, significantly reduces the probability of overlapping paydays. Because a weekend military payday is paid the preceding Friday, a Friday payday is three times as probable as a payday on another duty day. In fact during 1986, there are seven combined military and civilian paydays. But if civilian payday is moved to the preceding Wednesday there are only two conflicting paydays.

When all aspects are considered, the benefits of combining pay and travel into a service area outweigh the disadvantages.

Fund Control

The current accounts control area is another section which should remain almost unchanged. A separate entity is necessary to insure control of funds. Accounts control receives one copy of funding documents, and the budget branch also receives a copy. This separation adds control to the process.

However, Table Three identifies two additions to this area. First, all general ledgers should be maintained in this section. This change will standardize the general ledger and consolidate the process. Currently, materiel maintains stock fund and commissary trust fund general ledgers and accounts control maintains the general funds ledgers (16:34,37). The functional analysis stated "...general ledgers are maintained in two different ways for three types of funds," (33:3-6). It also recommended a single general ledger oriented system (33:3-7).

The second addition in this area should be stock fund trial balance reports. This change consolidates reporting functions. Again, the functional analysis says there are currently five automated systems supporting the controlling and reporting functions of accounting and finance (33:3-6). Some reports need to be in other areas. For example, the cash control area must process cash accountability. However, putting as many reports as possible in one area should help eliminate redundancy.

This approach is not perfect. A major drawback is current systems which are not interactive. However, the project for a modernized Base Level Accounting and Reporting System (BLARS) will develop a general fund and a stock fund system with interactive interfaces. This system has no projected completion date (31:3). By moving the responsibility during the reorganization, segments of the system can be transitioned as they become operational. Also, a near term project is the Air Force Accounting and Finance initiative to develop software which will interface with outside agencies. These interfaces include base supply and medical services (28:2).

Accounts Payable

The accounts payable section is a new orientation which draws like processes from various SMAs. This approach has the advantage of consolidating processes and concentrating effort on prompt payments. However, it also has the disadvantage of moving processes from several current systems.

The first advantage is that consolidation should improve efficiency. Commercial services, materiel, and travel all maintain accounts payable (33:Appendix A-11). By making one area responsible, some duplication can be eliminated. For example, each payment requires three documents: a contract, a receiving report, and an invoice. Although the names and formats of the documents may vary from section to section, the same three are necessary. The functional analysis said "Procedurally there are differences. However the basic processes are the same." (33:3-6). The Comptroller Information Management Annual Report (CIMAR) makes the same point (18:10-11). It also discusses the problems caused by maintaining separate systems to perform like processes (18:10-11).

Another advantage of putting all accounts payable in one area is the ability to emphasize cash management. One suspense system can be established to insure payments are not made too early or too late. One system means one report of early and late payments. Separate reports by each subject matter area will be eliminated.

The disadvantage of this consolidation is current systems are working and some future systems are programmed to operate as the organization is currently structured. For example, AFAFC has developed commissary accounts payable, materiel accounts payable, and commercial services accounts receivable (28:1). This software will be fielded between

Fiscal Year 1986 and Fiscal Year 1989 (28:2). However, the capability is available to program one accounts payable function (28:--).

Accounts Receivable

Accounts receivable should also be combined into one area. In addition to eliminating redundancy, this approach will emphasize debt collection efforts. However, this is another area where current systems operate independently.

First, an accounts receivable section would eliminate the need for two sections to maintain accounts receivable. Currently commercial services and materiel performs this process (33:Appendix A-12). Accounts receivable are kept for sales of stock fund supplies and equipment, sales of utility and telephone service, indebtedness for unpaid hospital bills, off duty education, commissary bad checks, and trailer space rentals (33:Appendix A-12, Appendix A-33). Again, one suspense system would reduce duplication. The CIMAR also discusses the need for one accounts receivable system (18:10-11).

Also, by consolidating accounts receivable, more emphasis could be placed on debt collection. Just as the accounting and finance network must manage cash payments, they must also manage cash receipts. Therefore, AFAFC has established an aggressive debt collection policy (9:25).

Finally, accounts receivable systems currently exist. Just as accounts payable systems, they are performing their designed functions (33:Appendix A-33). Nevertheless, this area is also an area where automation can be used to work toward a more efficient organization.

SUMMARY

The accounting and finance network needs to operate more efficiently. By reorganizing in accordance with Table Three, the network can eliminate some duplication by consolidating like processes. Automation will assist in achieving the efficiency goal if it is used to benefit the organization.

Chapter Five

FINAL THOUGHTS

FINDINGS

The accounting and finance organization was short 1100 manpower spaces on 1 October 1984. Additionally, revised manpower standards may further reduce manning by up to twenty-five percent of funded positions.

Currently, base level accounting and finance is structured into seven subject matter areas. While each subject matter area is responsible for specific functions, there are some processes which occur in more than one area. For example, accounts receivable and accounts payable are processed in at least two subject matter areas.

Some subject matter areas, such as paying and collecting, perform control functions. Paying and collecting controls collections and payments and safeguards public funds. Eighty percent of the paying and collecting functions deal with internal controls.

Recent Congressional, Administration, and in-house mission changes have increased base level requirements. The "Prompt Payment Act" and the "Federal Managers' Financial Integrity Act" increased record keeping and reporting requirements. Additionally, base level retired pay service not only assists the customer but also adds workload to the base level accounting and finance office.

In-house automation efforts improve workloads but generally require manpower tradeoffs for hardware purchases. The accounting and finance network gave up 400 manpower spaces for the comptroller office of the future project, and 357 base level spaces for civilian pay modernization. Other automation efforts, such as automated travel computation, do not require manpower losses. The savings in these areas will be significant, when the systems are complete.

Finally, a dynamic cross-utilization program implemented in 1985 increases training requirements. Currently, first term enlistees must be permanently assigned in two subject

matter areas within their control AFSC. Furthermore, staff sergeants must be assigned to a subject matter area outside their control AFSC before they achieve four years time in grade.

CONCLUSIONS

To offset manpower reductions, increased missions, and additional training requirements, accounting and finance needs to improve efficiency. Current automation efforts reduce workload, but some also reduce manning. Therefore, other alternatives must be explored.

Reorganization is one alternative. Reorganizing along process lines will improve efficiency by reducing redundancy. For example, grouping the service functions of military pay, civilian pay, and travel will pool resources to perform similar functions. Centralization of civilian pay will reduce dissimilar functions and enhance the reorganization.

RECOMMENDATIONS

Recommend the Air Force Comptroller Plans Group (AF/ACX) pursue testing the alternative structure identified in Chapter Four. Recommend testing at Mather Air Force Base, California, the Advanced Concepts Base.

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GLOSSARY

ACRONYMS

ACF-Accounting and Finance

AFAFC-Air Force Accounting and Finance Center

AFEMS-Air Force Equipment Management System

AFIAS-Appropriation Financial Inventory Accounting System

AFO-Accounting and Finance Office

AFOOF-Accounting and Finance Office of the Future, see COOF

AFSC-Air Force Specialty Code

AFSF-Air Force Stock Fund

AMAS-AVFUEL Management Accounting System

BLARS-Base Level Accounting and Reporting System

CIMAR-Comptroller Information Management Annual Report

CONUS-Continental United States

COOF-Comptroller Office of the Future, formerly AFOOF

CTRF-Commissary Trust Revolving Fund

DLA-Defense Logistics Agency

GSA-General Services Administration

ICR-Internal Control Review

JUMPS-Joint Uniform Military Pay System

MMAS-Medical Materiel Accounting System

PCS-Permanent Change of Station

CONTINUED

SBSS-Standard Base Supply System

SMA-Subject Matter Area

TDY-Temporary Duty

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